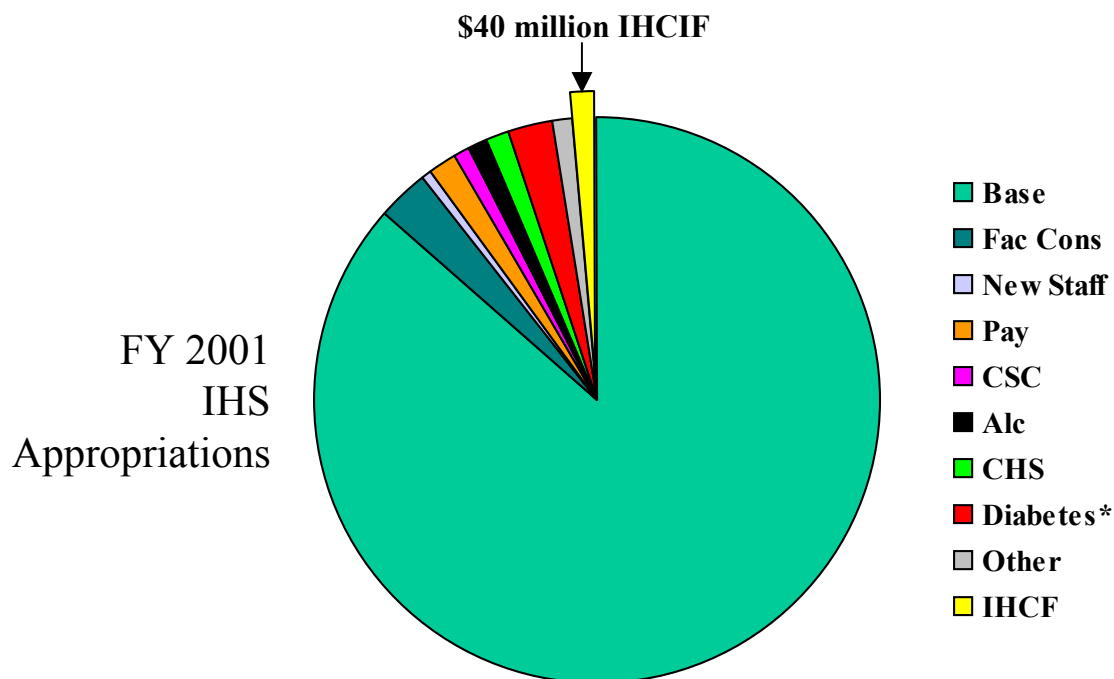


# Chart Series

## FY 2001 Indian Health Care Improvement Fund

**FOR PUBLIC  
RELEASE**



Indian Health Service

April 27, 2001



# The Methodology for FY 2000

## Element

## Revision

### Active Users

- Added 28,000 users residing outside CHSDA service area boundaries for a total of 1.428 million users. Future counts may decrease when an undetermined number of duplicates, estimated at 8%-12% in some locations, are cleared up.

### \$3,221 Per User Benchmark

- Inflated the FEHBP \$2,980 benchmark premium by 8.1% to \$3,221. 8.1% is the US average premium increase in employer sponsored health plans in 2000.

### Variation for Size

- Reaffirmed a budget neutral variation of the \$3,221 benchmark for size. The range is \$2,818 for units with > 21,000 active users to \$4,187 for units with < 900 active users.

### Variation for Prices

- Reaffirmed a budget neutral variation for health care prices for actual referral locations. The range is \$2,834 to \$3,962 in the lower 48 states and up to \$4,767 in Alaska.

### Variation for Health Status

- Reaffirmed a budget neutral variation for health status. A new index is 2/3 disease burden (births, injuries, heart disease, diabetes, cancer, alcoholism and elderly) and 1/3 poverty. The range is \$3,010 for best health status to \$3,685 for lowest health.

### - \$790 Per User Other Coverage

- Statute requires counting other (M&M&P I) resources for Indians. \$790, 6% higher, is deducted from the \$3,221 benchmark. The deduction is 1/2 for operating units with no billable services.

### Available IHS \$ Per User

- Accounting for IHS funding was improved in FY 2000. Central funds, such as residual and area-wide programs, were prorated among units. IHS funds increased in 2000, but funds for benchmark type services is unchanged because of wrap-around exclusions.

### Wrap-around Exclusions

- Using detailed accounting, 28% of IHS resources were identified as wrap-around, up 8% over 1999. The increase is composed of CSC (63%), the CHA/P (village aid program), and additional travel/transport expenses in Alaska.

### FEHBP Equivalence %

- The % equivalence with the FEHBP decreased from 57% in 1999 to 50% in 2000. The change is caused by 2% more users, 8% higher premiums, and additional wrap-around funding exclusions.

### 60% IHCIF Threshold

- After considering several options, a threshold of 60% was set consistent with Congressional direction to target funds to "most under funded units." A \$10,000 minimum was set for qualifying operating units.

### Recurring Allocations

- Affirmed that the FY 2001 IHCIF (\$40 million) is allocated by formula to local operating units and that local IHCIF allocations be made recurring thereafter.